

May 21, 1986

TERMS OF REFERENCE
U.S.-Iran Dialogue

I. BASIC PILLARS OF U.S. FOREIGN POLICY (Optional)

- President Reagan came into office at a time when Iran had had a certain impact on the American political process -- perhaps not what you intended.
- The President represents and embodies America's recovery from a period of weakness. He has rebuilt American military and economic strength.
- Most important, he has restored American will and self-confidence. The U.S. is not afraid to use its power in defense of its interests. We are not intimidated by Soviet pressures, whether on arms control or Angola or Central America or Afghanistan.
- At the same time, we are prepared to resolve political problems on the basis of reciprocity.
- We see many international trends -- economic, technological, and political -- working in our favor.

II. U.S. POLICY TOWARD IRAN: BASIC PRINCIPLES

A. U.S. Assessment of Iranian Policy.

- We view the Iranian revolution as a fact. The U.S. is not trying to turn the clock back.
- Our present attitude to Iran is not a product of prejudice or emotion, but a clear-eyed assessment of Iran's present policies.
- Iran has used "revolutionary Islam" as a weapon to undermine pro-Western governments and American interests throughout the Middle East. As long as this is Iran's policy, we are bound to be strategic adversaries.
- Support of terrorism and hostage-taking is part of this strategic pattern. We see it used not only against us, but against our friends. We cannot accept either. Your influence in achieving the release of all hostages/return of those killed (over time) is essential.

- We see your activity in many parts of the world, including even Central America.
- The U.S. knows how Iran views the Soviet Union. But subversion of Western interests and friends objectively serves Soviet interests on a global scale.
- Thus, our assessment is that a decisive Iranian victory in the war with Iraq would only unleash greater regional instability, a further erosion of the Western position, and enhanced opportunities for Soviet trouble-making.
- The U.S. will therefore do what it can to prevent such a development. We regard the war as dangerous in many respects and would like to see an end to it.

B. Possible Intersections of U.S.-Iranian Interests.

- Despite fundamental conflicts, we perceive several possible intersections of U.S. and Iranian interests. I propose we explore these areas.
- First, the U.S. has had a traditional interest in seeing Iran preserve its territorial integrity and independence. This has not changed. The U.S. opposes Soviet designs on Iran.
- Second, we have no interest in a Iraqi victory over Iran. The U.S. had no relationship with Iraq when the war began and, in fact, had colluded with Iran against Iraq in earlier periods. We are seeking an end to this conflict and want to use an improved relationship with Iran to further that end.
- Third, we have parallel views on Afghanistan. Soviet policy there is naked aggression, a threat to all in the region. Our mutual friends -- China and Pakistan -- are threatened. We have ties with different elements of the Mujahideen. But our objective is the same: the Soviets must get out and let the Afghan people choose their own course.

C. U.S. Objective Today.

- We have no illusions about what is possible in our bilateral relations. Perhaps this meeting will reveal only a limited, momentary, tactical coincidence of interests. Perhaps more. We are prepared either way.
- In essence, we are prepared to have whatever kind of relationship with Iran that Iran is prepared to have with us.

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III. SOVIET MILITARY POSTURE

- Moscow has designs on parts of Iran. We doubt Moscow will acquiesce in an Iranian victory over Iraq. Its Arab equities are too important.
- Afghanistan illustrates the price the Soviets are ready to pay to expand areas under their direct control.
- Summarize Soviet capabilities along border and inside Afghanistan which could threaten Tehran.
- U.S. is aware of Soviet activity in Baluchistan, air strikes.
- Soviet plans for invasion of Iran. How they would do it.
- Iranian support to Sandinista regime in Nicaragua aids and abets Soviet designs -- makes U.S.-Iranian relationship more difficult (\$100 million in oil, plus arms).
- U.S. can help Iran cope with Soviet threat.

IV. AFGHANISTAN

- May be real value for Iran and U.S. to find ways to cooperate against Moscow in Afghanistan.
- U.S. can provide humanitarian assistance for refugees as well as lethal aid for Mujahideen.
- We need to know who you work with, what you already provide, and devise strategy to exploit Iranian comparative advantage.

V. HARDWARE

- We may be prepared to resume a limited military supply relationship.
- However, its evolution and ultimate scope will depend on whether our convergent or our divergent interests come to loom larger in the overall picture.
- What does Iran want?

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